



December 14, 2009

Malcolm,

This is an exciting time for all of those involved with the Ambiente home; we along with our investors look forward to this new chapter.....

We know we covered a lot of ground Sunday afternoon and after comparing notes, we would like to summarize our discussion. It was a long meeting, and much information was exchange, so if we missed anything, or your recollection was any different than ours, please do not hesitate to contact us for a revision.

This recap, in writing, is important for two reasons. First, we need to present these details to our investors. As the managers for SCS we are obligated to inform all investors of any material changes to our Business Plan as originally outlined in the Private Placement Memorandum (PPM). We need all our ducks in a row so that the stakeholders have a clear idea of what direction we plan to take the company. Second, there have been so many crazy turns during this process; this check list may help us stay on task.

There were several key areas discussed and we will use an outline format to recap:

1. Secure a reliable and fixed production

- Abersham will provide to SCS a minimum of 8 housing units (1,000 sq ft) per month. Abersham will provide SCS a minimum of 8 (1000sqft) units per month. Notice of guaranteed production availability to SCS must be requested 90 days in advance.
- The price will not exceed \$62 per square foot and will include all manufactured items required to build the Ambiente Home (shell).
- Current pricing of a house over 1000sq ft with discounting does come out approximate to \$62 per sq ft. Pricing will of coarse be component specific with every component priced separate. This current price will be reviewed every 6 months. You will appreciate that raw material and operating costs can fluctuate. But at this moment you are correct in that the average cost to you under our license reseller agreement will come to approximately \$62
- Abersham and SCS will work together to coordinate an efficient production schedule.
- We will sit down with SCS and determine a production draw down over year 1 and updating as and when needed.
- Production will be available to SCS beginning February 1, 2010.
- This date is now not realistic. We are unable to guarantee today a specific date of production availability. You will be notified as soon as we have a date

available. Current factors would suggest product availability April 1<sup>st</sup> 2010 to be confirmed.

## 2. Marketing efforts

- Milwaukee, Maine and SCS agree to coordinate advertising and promotion of the Ambiente name. Abersham Commercial Services agree to share promotional materials, sales contracts, brochure and DVD rights with SCS as per licensed reseller agreement. Marketing and product training is also agreed to be shared.
  - Common brochures, DVD's, sales contracts, sales presentations, training, etc.
  - Joint use of sample houses located in different areas on the country.
  - Any show houses owned and managed by Abersham will be made available to SCS. We are not in a position to confirm availability of any show models owned by a 3<sup>rd</sup> party. We of course will work with and help facilitate this where possible.
  - House and Motel drawings supplied by SCS will be "stamped" by one of Abersham's qualifying engineering firms. These floor plans will be shared and exchanged with all existing plans. Designs and structures that are not in our current product range will be treat as a "Special Project"
  - Special Projects can be presented to Abersham design team, where an assessment and proposal will be presented to SCS detailing the feasibility of introducing additional components and the efforts and costs needed to design, stamp and produce those Special Projects.

## 3. Testing

- Abersham will supply the results and documentation for the following issues:
  - Proof of insurance Yes Insurance details provided with the license reseller agreement and insurance details delivered with each unit.
  - 
  - Hurricane certification Abersham have and will divulge current testing on this subject. Abersham will also publish any additional test data from future testing. None scheduled at this time.
  - Mold test Mold statement available.
  - Fire test Fire test data available on production startup. A change in specific raw materials require updated test data.

- R-2000 (University of Manitoba report) Abersham will publish a document stating the insulation performances of the Ambiente home
  - Off-gassing results Available
  - List of Engineers and/or Firms who will "sign-off" on the Ambiente Home Abersham manages this. Part of the insurance requirements.
  - Abersham will support SCS's testing at the Center for Advanced Sustainability Initiatives at the US Army Construction Engineering Research Laboratory (CERL) at the University of Illinois. Once a full detailed proposal has been presented to Abersham on the program, SCS and Abersham will determine and agree on each parties responsibility. At this time, Abersham solely has no immediate plan to enter into such program, but does and will discuss with SCS the feasibility of entering into this program. Details and decisions cannot be made until the full detail and scope of program is assessed.
4. Abersham agrees to arrange financing, lease, or other agreed vehicle for a SCS panel line at a future date.
- SCS can "trigger" this event when its order book reaches the equivalent of 50 homes, some other mutually agreed number, or SCS feels comfortable sales are sustainable. Correct ! When evidence is provided on an order book that can sustain location specific manufacture by SCS. Just 50 homes will not be sufficient. Again evidence of a sustained order book will be the trigger !
  - Abersham has received a \$350,000 deposit from SCS for equipment. For this consideration SCS will also receive: This statement is incorrect ! Abersham has received funds for assisting in the feasibility of a manufacturing plant and work done to date. It is agreed however that should SCS move to facilitate its own production and purchase equipment from Abersham, Abersham will take the feasibility into consideration as a full discount of said amount.
    - An exclusive territory as outlined in earlier documents Correct
    - Is free to market outside of its exclusive territory In remaining Non exclusive territories
    - Is licensed to sell/manufacture the Ambiente Home Sell as per Abersham's Licensed reseller agreement. Manufacture under Abersham's licensed manufacturing agreement. The manufacturing agreement will be issued upon conception of manufacturing contract as is per revision and conditions of said agreement at that date.

Hopefully this outline details the general principles agreed to at our meeting Sunday, December 13, 2009 in Delafield, WI. We need to make sure we are on the same page and that we are able to forward this new Business Plan onto our investors. We are confident this new direction will be a positive event for the Ambiente team.

Thank you,

Rick & Lee